
A BILL FOR AN ACT

RELATING TO UNIVERSITY OF HAWAII NON-GENERAL FUNDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to address certain
2 recommendations concerning non-general funds of the University
3 of Hawaii set forth in Auditor Report No. 14-18, dated December
4 2014.

5 PART I.

6 SECTION 2. The purpose of this part is to statutorily
7 establish the administratively-created quasi-endowment revolving
8 fund of the University of Hawaii as the University of Hawaii
9 quasi-endowment trust fund.

10 SECTION 3. Chapter 304A, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 "§304A- University of Hawaii quasi-endowment trust fund.

14 There is established the University of Hawaii quasi-endowment
15 trust fund into which shall be deposited income derived from the
16 university's endowment fund. Income deposited into this account
17 may be expended by the university as set forth by the board of
18 regents in policies and guidelines for costs and expenses



1 associated with student financial aid programs, including
2 scholarships and student support services, awards, and project
3 opportunities for the university."

4 PART II.

5 SECTION 4. The purpose of this part is to re-establish the
6 Hawaii educator loan program special fund as a revolving fund.

7 SECTION 5. Chapter 304A, Hawaii Revised Statutes, is
8 amended by adding a new section to part V, subpart D, to be
9 appropriately designated and to read as follows:

10 "§304A- Hawaii educator loan program revolving fund.

11 There is established the Hawaii educator loan program revolving
12 fund, for the purpose of providing loans pursuant to section
13 304A-701. The following may be deposited into the revolving
14 fund: appropriations made by the legislature, private
15 contributions, repayment of loans, including interest and
16 payments received on account of principal, and moneys from other
17 sources; provided that:

- 18 (1) Moneys on balance in the revolving fund at the close
19 of each fiscal year shall remain in that fund and
20 shall not lapse to the credit of the general fund; and



1 (2) An amount from the revolving fund not exceeding five
2 per cent of the total amount of outstanding loans may
3 be set by the university to be used for administrative
4 expenses incurred in administering the revolving
5 fund."

6 SECTION 6. Section 304A-701, Hawaii Revised Statutes, is
7 amended by amending subsection (g) to read as follows:

8 "(g) In accordance with chapter 103D, the university may
9 enter into written contracts with collection agencies for the
10 purpose of collecting delinquent loans. All payments collected,
11 exclusive of a collection agency's commissions, shall revert,
12 and be credited, to the Hawaii educator loan program [~~special~~]
13 revolving fund. A collection agency that enters into a written
14 contract with the university for the collection of delinquent
15 loans pursuant to this section may collect a commission from the
16 debtor in accordance with the terms of, and up to the amounts
17 authorized in, the written contract."

18 SECTION 7. Section 304A-2161, Hawaii Revised Statutes, is
19 repealed.

20 ~~["~~§304A-2161~~ Hawaii educator loan program special fund.~~
21 ~~There is established the Hawaii educator loan program special~~



~~fund, for the purpose of providing loans pursuant to section
[304A-701]. The following may be deposited into the special
fund: appropriations made by the legislature, private
contributions, repayment of loans, including interest and
payments received on account of principal, and moneys from other
sources; provided that:~~

~~(1) Moneys on balance in the special fund at the close of
each fiscal year shall remain in that fund and shall
not lapse to the credit of the general fund; and~~

~~(2) An amount from the special fund not exceeding five per
cent of the total amount of outstanding loans may be
set by the university to be used for administrative
expenses incurred in administering the special fund."]~~

PART III.

SECTION 8. The purpose of this part is to re-establish the
community colleges special fund as a revolving fund.

SECTION 9. Chapter 304A, Hawaii Revised Statutes, is
amended by adding a new section to part V, subpart D, to be
appropriately designated and to read as follows:

"§304A- Community colleges revolving fund. (a) Section
304A-2003 notwithstanding, there is established a community



colleges revolving fund to receive, disburse, and account for funds of programs and activities of the community colleges, including but not limited to off-campus programs, summer session programs, overseas programs, evening sessions, study abroad, exchange programs, cultural enrichment programs, and consultative services that help make available the resources of the community colleges to the communities they serve.

(b) The revolving fund may include deposits from:

(1) The University of Hawaii tuition and fees special fund established in section 304A-2153;

(2) Tuition, fees, and charges for affiliated instructional, training, and public service courses and programs; and

(3) Fees, fines, and other money collected for:

(A) Student health;

(B) Transcript and diploma;

(C) Library;

(D) Facility use;

(E) Child care;

(F) Auxiliary enterprises;

(G) Alumni; and



1 (H) Other related activities."

2 SECTION 10. Section 304A-2162, Hawaii Revised Statutes, is
3 repealed.

4 ~~["§304A-2162] Community colleges special fund. (a)~~
5 ~~Section [304A-2003] notwithstanding, there is established a~~
6 ~~community colleges special fund to receive, disburse, and~~
7 ~~account for funds of programs and activities of the community~~
8 ~~colleges, including but not limited to off campus programs,~~
9 ~~summer session programs, overseas programs, evening sessions,~~
10 ~~study abroad, exchange programs, cultural enrichment programs,~~
11 ~~and consultative services that help make available the resources~~
12 ~~of the community colleges to the communities they serve.~~

13 ~~(b) The special fund may include deposits from:~~

14 ~~(1) The University of Hawaii tuition and fees special fund~~
15 ~~established in section [304A-2153];~~

16 ~~(2) Tuition, fees, and charges for affiliated~~
17 ~~instructional, training, and public service courses~~
18 ~~and programs; and~~

19 ~~(3) Fees, fines, and other money collected for:~~

20 ~~(A) Student health;~~

21 ~~(B) Transcript and diploma;~~



1 ~~(C) Library;~~
2 ~~(D) Facility use;~~
3 ~~(E) Child care;~~
4 ~~(F) Auxiliary enterprises;~~
5 ~~(G) Alumni; and~~
6 ~~(H) Other related activities."~~

7 PART IV.

8 SECTION 11. The purpose of this part is to repeal the
9 University of Hawaii alumni special fund.

10 SECTION 12. Section 304A-2175, Hawaii Revised Statutes, is
11 repealed.

12 ~~["§304A-2175] University of Hawaii alumni special fund.~~

~~There is established the University of Hawaii alumni special fund into which shall be deposited funds and proceeds received by the university from alumni activities and donations from alumni. Funds deposited into this special fund may be expended by the university for all costs associated with conducting alumni affairs, activities, and programs for the university system, including but not limited to expenses for honoraria, hotel and room rentals, food and refreshment, printing and mailing, banners and signs, plaques and awards, airfare and per~~



1 ~~diem, leis, rental of audiovisual, musical, and stage equipment,~~
2 ~~and activity supplies and materials, without regard to statutory~~
3 ~~competitive bidding requirements."]~~

4 PART V.

5 SECTION 13. The purpose of this part is to repeal the
6 animal research, Waialeale, Oahu special fund.

7 SECTION 14. Section 304A-2177, Hawaii Revised Statutes, is
8 repealed.

9 ~~["~~[§304A-2177] Animal research farm, Waialeale, Oahu special~~~~
10 ~~fund. There is established the animal research farm, Waialeale,~~
11 ~~Oahu special fund for the animal research farm, Waialeale, Oahu,~~
12 ~~operated by the college of tropical agriculture and human~~
13 ~~resources of the University of Hawaii, into which shall be~~
14 ~~deposited the receipts from fees realized from the sale of~~
15 ~~livestock, services, and supplies. Funds deposited into this~~
16 ~~special fund shall be expended for animal research, and services~~
17 ~~and supplies related thereto."]~~

18 PART VI.

19 SECTION 15. The purpose of this part is to repeal the
20 career and technical training projects revolving fund.



SECTION 16. Section 304A-2268, Hawaii Revised Statutes, is repealed.

~~["§304A-2268] Career and technical training projects revolving fund; University of Hawaii at Hilo. There is established the career and technical training projects revolving fund for the career and technical training projects of the community colleges and the University of Hawaii at Hilo into which shall be deposited the receipts from fees for services, supplies, and use of equipment provided by or in connection with these projects. Funds deposited in this account shall be expended for vocational and technical training projects, and supplies, equipment, and services related thereto."]~~

PART VII.

SECTION 17. The purpose of this part is to repeal the Senator Hiram K. Fong scholarship program endowment trust fund.

SECTION 18. Section 304A-2353, Hawaii Revised Statutes, is repealed.

~~["§304A-2353] The Senator Hiram L. Fong scholarship program, endowment trust. (a) There is established the Senator Hiram L. Fong scholarship program to be administered by the university with proceeds from an endowment trust that shall~~



1 ~~receive its initial funding by an appropriation out of the~~
2 ~~general revenues of the State. The program shall provide~~
3 ~~financial support to students enrolled at any campus of the~~
4 ~~university.~~

5 ~~(b) Awards shall be granted annually to one female student~~
6 ~~and one male student who:~~

7 ~~(1) Are graduates of a public high school in the State;~~

8 ~~(2) Are upperclassmen at the university;~~

9 ~~(3) Submit winning essays to the board of regents on the~~
10 ~~senator's contributions to Hawaii;~~

11 ~~(4) Have a demonstrated commitment to local community~~
12 ~~issues, as shown by volunteer work and participation~~
13 ~~in community organizations; and~~

14 ~~(5) Have a demonstrated interest and knowledge of the~~
15 ~~history of immigration to Hawaii.~~

16 ~~(c) The amount to be awarded to a student shall be~~
17 ~~determined by the board of regents with due regard to the total~~
18 ~~amount of funds available for the program. The award that a~~
19 ~~student receives under this program may be used to:~~

20 ~~(1) Pay for the costs of tuition and fees for a single~~
21 ~~academic year;~~



1 ~~(2) Pay for the costs of textbooks and other instructional~~
2 ~~materials for a single academic year;~~

3 ~~(3) Pay for the costs of room and board at a dormitory or~~
4 ~~apartment maintained by the university for a single~~
5 ~~academic year; or~~

6 ~~(4) Defray the difference between student need, as~~
7 ~~determined by the Free Application for Federal Student~~
8 ~~Aid, and the total cost of attendance for a single~~
9 ~~academic year.~~

10 ~~(d) The board of regents shall adopt rules to implement~~
11 ~~the Senator Hiram L. Fong scholarship program. The rules shall~~
12 ~~be adopted pursuant to chapter 91 but shall be exempt from the~~
13 ~~public notice and public hearing requirements.~~

14 ~~(e) The scholarship program shall be funded with proceeds~~
15 ~~from an endowment trust established with initial funding by an~~
16 ~~appropriation out of the general revenues of the State and shall~~
17 ~~be administered by the board of regents for the purposes of~~
18 ~~supporting the Senator Hiram L. Fong scholarship program."]~~

19 PART VIII.

20 SECTION 19. The purpose of this part is to repeal the
21 Senator Oren E. Long scholarship program endowment trust fund.



SECTION 20. Section 304A-2354, Hawaii Revised Statutes, is repealed.

~~["§304A-2354] The Senator Oren E. Long scholarship program; endowment trust. (a) There is established the Senator Oren E. Long scholarship program to be administered by the university with proceeds from an endowment trust that shall receive its initial funding by an appropriation out of the general revenues of the State. The program shall provide financial support to students enrolled at any campus of the university.~~

~~(b) Awards shall be granted annually to one female student and one male student who:~~

- ~~(1) Are graduates of a public high school in the State;~~
- ~~(2) Are upperclassmen at the university; and~~
- ~~(3) Submit winning essays to the board of regents on the senator's contributions to Hawaii.~~

~~(c) The amount to be awarded to a student shall be determined by the board of regents with due regard to the total amount of funds available for the program. The award that a student receives under this program may be used to:~~



- ~~(1) Pay for the costs of tuition and fees for a single academic year;~~
- ~~(2) Pay for the costs of textbooks and other instructional materials for a single academic year;~~
- ~~(3) Pay for the costs of room and board at a dormitory or apartment maintained by the university for a single academic year; or~~
- ~~(4) Defray the difference between student need, as determined by the Free Application for Federal Student Aid, and the total cost of attendance for a single academic year.~~
- ~~(d) The board of regents shall adopt rules to implement the Senator Oren E. Long scholarship program. The rules shall be adopted pursuant to chapter 91 but shall be exempt from the public notice and public hearing requirements.~~
- ~~(e) The scholarship program shall be funded with proceeds from an endowment trust established with initial funding by an appropriation out of the general revenues of the State and shall be administered by the board of regents for the purposes of supporting the Senator Oren E. Long scholarship program."~~



PART IX.

SECTION 21. On July 1, 2015:

- (1) The unencumbered funds in the special funds repealed by section 7 and 10 of this Act shall be transferred to the revolving funds established by sections 5 and 9 of this Act;
- (2) The unencumbered funds in the quasi-endowment income and scholarship revolving fund of the University of Hawaii shall be transferred to the trust fund established by section 3 of this Act; and
- (3) All unencumbered balances remaining in the accounts and funds repealed by sections 12, 14, 16, 18, and 20 of this Act shall lapse to the credit of the general fund.

SECTION 22. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 23. This Act shall take effect on July 1, 2015.



Report Title:

University of Hawaii Non-general Funds; Auditor's
Recommendations

Description:

Addresses certain recommendations of the Auditor concerning
University of Hawaii non-general funds. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

